

## REMARKS/ARGUMENTS

The rejections presented in the Office Action dated June 21, 2005 (hereinafter Office Action) have been considered. Reconsideration of the pending claims and allowance of the application in view of the present response is respectfully requested.

The Applicant notes ¶1 of the Office Action, where the filing of the prior RCE is acknowledged as entered. The Applicant thanks the Examiner for confirming this status.

Claims 1-4, 11, 12, 17, 19, 21-23, 29, 33, 37, 40, and 60-63 stand rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,141,653 to Conklin et al. (hereinafter *Conklin*). The Applicant respectfully traverses the rejection, and disagrees that *Conklin* teaches the limitations of the rejected claims.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Bros. v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Further, the identical invention must be shown *in as complete detail as is contained in the patent claim; i.e.* every element of the claimed invention must be literally present, arranged as in the claim. *Richardson v. Suzuki Motor Co.*, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). It is respectfully submitted that *Conklin* does not meet this requirement for the claims rejected under 35 U.S.C. §102(e).

*Conklin* generally relates to a system that facilitates iterative negotiations between parties (e.g., col. 13, lines 51-55). The *Conklin* system is a web-based system that creates a “communication path” between a seller and a buyer (col. 23, lines 48-51) by which the seller and buyer can negotiate. One of the negotiating parties provides a statement of terms (col. 24, lines 1-2). These terms can be seen by the other party upon that party optionally receiving a notifying e-mail that an iterative response has been submitted (col. 25, line 60 through col. 26, line 18), and then the party must log onto the system to continue the iterative negotiation (col. 26, lines 2-5). This iterative negotiation process between the buyer and seller is conducted by way of *Conklin*’s web system which stores the information for the buyer and seller to log in and see (col. 25, lines 12-16; col. 24, lines 10-17). Therefore, the system of *Conklin* merely stores the negotiation states, and allows each of the buyer and seller to log into the system to see these states and continue the negotiation to completion.

Referring to independent Claim 1, the trusted server prepares a contract. In *Conklin*, it is described that the parties prepare the terms, and the web server stores the iterative states of these negotiated terms. In independent Claim 1, the trusted server sends the prepared contract to the buyer. In *Conklin*, it is described that the buyer must log into a web server to access the current state of the negotiated terms – *i.e.* only an optional “notification” that new terms are available is sent to either party. In Claim 1, the trusted server returns the accepted contract to the merchant system, where in *Conklin* the party logs onto the web system. In Claim 1, the merchant system *initiates the transaction based upon* an accepted contract. It is respectfully submitted that *Conklin* does not appear to describe that a transaction is initiated as a result of receiving an accepted contract – *i.e.* *Conklin* describes the negotiation process and nothing appears to be described as to an accepted contract sent from a trusted server serving as a triggering event to initiate a transaction at a merchant system.

Additionally, the portion of *Conklin* that is cited as teaching a charging engine for calculating a charge to be paid to the merchant system by the user states only that API functions in the *Conklin* system “can be used to integrate the present invention with a seller’s or buyer’s internal ERP systems, if desired.” (col. 24, lines 41-44). The “ERP” system of *Conklin* is defined in the *Conklin* document as follows:

These programs fit into a category of software called front-office applications or application servers--so called because they sit close to the user end inside an enterprise and are customized to interface with the back-office applications 21 inside the enterprise, which include commercial products from software suppliers as well as custom developed applications that handle internal business functions such as inventory tracking, financials, human resources and supplies, and similar Enterprise Resource Planning (ERP) systems. (*Conklin* column 3, lines 28-37)

It is respectfully submitted that the general reference to “financials” in such ERP systems does not teach, expressly or inherently, a charging engine for calculating a charge to be paid to the merchant system by the user. The other cited portions of *Conklin* (*i.e.* claim 1, col. 24, lines 5-9) are silent with respect to any charging engine for calculating a charge to be paid to a merchant system by a user.

Thus, in Claim 1, the trusted server manages the contract, as well as the routing of the contract to the appropriate party at the appropriate time, and includes a charging engine for calculating a charge to be paid to the merchant system by the user. In *Conklin*, the parties

manage the terms while the web server stores the negotiation states, the contract is stored (not delivered to parties) for log-in access by the negotiating parties, and *Conklin* does not expressly or inherently describe a charging engine for calculating a charge to be paid to a merchant system by a user.

It is respectfully submitted that *Conklin* therefore fails to expressly or inherently describe, in as complete detail as is contained in the patent claims, the invention set forth in Claim 1. For at least the foregoing reasons, it is respectfully submitted that *Conklin* fails to anticipate Claim 1.

Independent Claim 22 also involves a payment system having a trusted server, where the trusted server prepares the contract, sends the prepared contract to the buyer system for acceptance, returns the accepted contract to the merchant system, and initiates the transaction based upon that accepted contract. A charging engine is provided for calculating a charge to be paid to the merchant system by the user. As described above, it is respectfully submitted that *Conklin* does not teach these limitations, as it must do so in as complete detail as is contained in the patent claims in order to anticipate these claims. Similarly, Claim 60 includes a trusted server configured to prepare the contract, send it to the buyer system for acceptance, receive the accepted contract and send it to the merchant system. For at least these reasons, it is respectfully submitted that *Conklin* fails to anticipate Claims 22 and 60.

Independent Claim 21 has been amended to facilitate prosecution of the application. The Applicant respectfully submits that *Conklin* does not teach or suggest all the limitations of original Claim 21; however Claim 21 has been amended to pursue a different scope of the invention. Claim 21 also involves a trusted server that prepares a contract, and receives and confirms payment by the buyer system to handle buyer repudiation issues. It is respectfully submitted that *Conklin* does not anticipate amended Claim 21, and Claim 21 is patentable over the cited art of record.

Dependent Claims 2-4, 11, 12, 17 and 19 are dependent from independent Claim 1; dependent Claims 33, 37 and 40 are dependent from independent Claim 21; dependent Claims 23 and 29 are dependent from independent Claim 22; and dependent Claims 61-63 are dependent from independent Claim 60. Each of these dependent claims stand rejected under 35 U.S.C. §102 as being unpatentable over *Conklin*. While Applicant does not acquiesce with the

particular rejections to these dependent claims, including any assertions concerning inherency, it is believed that these rejections are moot in view of the remarks made in connection with independent Claims 1, 21, 22 and 60. These dependent claims include all of the limitations of the base claim and any intervening claims, and recite additional features which further distinguish these claims from the cited references. Therefore, dependent Claims 2-4, 11, 12, 17, 19, 23, 29, 33, 37, 40 and 61-63 are also in condition for allowance.

Claims 5, 9, 10, 13-16, 24-28, 38, 39, and 52 stand rejected under 35 U.S.C. §103(a) as being unpatentable over *Conklin* as applied to Claims 1, 21 and 23, and further in view of U.S. Publication No. 2005/0108155 to Gallagher et al (hereinafter *Gallagher*). As indicated above, the Applicant contends that *Conklin* fails to teach that which is set forth in Claims 1, 21 and 23. *Gallagher* does not remedy the deficiencies of *Conklin*. For example, a combination of *Conklin* and *Gallagher* does not result a teaching or suggestion that a trusted server prepares a contract between a buyer and a merchant system, where such contract is sent from the trusted server to the buyer for acceptance, where an accepted contract is sent from the trusted server to the merchant system, and where the merchant system initiates a transaction based upon the accepted contract received from the trusted server. Neither *Gallagher* nor *Conklin* teach such features, nor do they collectively teach all the limitations of Claims 1, 21 and 23, and for at least this reason, *prima facie* obviousness is not established for these claims. If an independent claim is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious, and therefore Claims 5, 9, 10, 13-16, 24-28, 38, 39 and 52 are not rendered obvious for at least these reasons.

More particularly, the rationale for the rejection of Claims 5 and 24 is based on the rationale of Claim 1, such that *Conklin* is individually relied upon as teaching the limitations of Claims 5 and 24 that are derived from independent Claim 1. A combination of *Conklin* and *Gallagher* fail to at least teach the limitations of Claim 1, as a combination of these references fails to teach or suggest preparing a contract, sending/returning the contract in the manner claimed, and having a merchant system initiate a transaction based upon that contract. Similarly, for each of the remaining claims rejected on these grounds, *Conklin* is cited as teaching the subject matter of the claims from which these rejected claims depend, and for at least this reason *prima facie* obviousness is not established as *Conklin* does not teach or suggest the limitations of

the claims that are relied upon by the Examiner. For at least these reasons, a combination of the cited references do not establish *prima facie* obviousness. This equally applies to the other dependent claims depending from independent Claims 1, 21, 22 and/or 60.

Further, it is respectfully submitted that there is insufficient motivation to combine *Conklin* and *Gallagher*. For example, referring to Claim 13, the trusted server performs the various contract functions and contract routing, and ultimately receives payment from the buyer system where payment is confirmed to deal with buyer repudiation issues. There is insufficient motivation to combine the negotiation engine of *Conklin* and the money exchange concept of *Gallagher* without the benefit of the Applicant's claims, and it is therefore respectfully submitted that such a combination is made in hindsight.

Claims 6-8, 20, 32, 34-36, and 51 stand rejected under 35 U.S.C. §103(a) as being unpatentable over *Conklin* as applied to Claims 1 and 21 above, and further in view of U.S. Publication No. 2001/0037319 to Edwards et al. (hereinafter *Edwards*). The Applicant respectfully traverses the rejection, as *prima facie* obviousness has not been established. It is first respectfully submitted that *Conklin* fails to teach what it is purported to teach. Secondly, *Edwards* has a January 25, 2001 U.S. filing date that is after the December 27, 2000 filing date of the present application. The Examiner must rely on the information in the two provisional patent applications of *Edwards*, namely 60/181,786 and 60/181,845. These two provisional applications do not remedy the deficiencies of *Conklin*. The *Edwards* provisional applications relate to requesting and/or posting content, and the system stores the content, and may act as an intermediary for e-mail or other seller-to-buyer communications. A combination of *Conklin* and the *Edwards* provisional applications therefore collectively fail to teach or suggest all the limitations of independent Claims 1 and 21, as is required under M.P.E.P § 2143 to establish *prima facie* obviousness. For at least this reason, the combination of *Conklin* and *Edwards* fails to render obvious independent Claims 1 and 21, and their respective dependent Claims 6-8, 20, 32, 34-36 and 51.

Further, regarding the rejection to Claim 51, the Examiner acknowledges that *Conklin* fails to describe a charging engine that processes the charging data in response to a single event occurring in accordance with the transaction. *Edwards* is cited as teaching this, particularly at ¶ 0014 of the *Edwards* 2001/0037319 A1 publication. However, without acquiescence that the



cited portion of the *Edwards* publication in fact teaches the language of Claim 51, the Applicant respectfully submits that this is irrelevant as the '786 and '845 *Edwards* provisional applications do not address the features of Claim 51. The publication material can only be used for what is supported by the earlier '786 and '845 provisional applications. The *Edwards* publication is not supported by the provisional applications, and because the *Edwards* publication date is after the U.S. filing date of the Applicant's application, *prima facie* obviousness is not established for Claim 51, and withdrawal of the rejection is respectfully solicited.

Claims 18 and 30 stand rejected under 35 U.S.C. §103(a) as being unpatentable over *Conklin* as applied to Claims 17 and 30 above, and further in view of U.S. Publication No. 2001/0056395 to *Khan*. It is assumed that there is a minor typographical error in this rejection, as the Applicant believes the Examiner intended to write "...as applied to Claims 17 and **29** above..." rather than on "...Claims 17 and 30 above." As previously indicated, it is respectfully submitted that *Conklin* does not teach the limitations of Claims 17 and 29, and *Khan* fails to remedy the deficiencies of *Conklin*. More particularly, the combination of *Conklin* and *Khan* does not teach or suggest a trusted server that prepares a contract between a buyer and a merchant system, where the prepared contract is sent from the trusted server to the buyer for acceptance, where an accepted contract is sent from the trusted server to the merchant system, and where the merchant system initiates a transaction based upon the accepted contract received from the trusted server. Neither *Khan* nor *Conklin* teach such features, nor do they collectively teach all the limitations of Claims 1 or 22, and for at least this reason, *prima facie* obviousness is not established for the claims that depend therefrom.

Claims 53-59 stand rejected under 35 U.S.C. §103(a) as being unpatentable over *Conklin* and *Gallagher* as applied to Claim 21 above, and further in view of U.S. Patent No. 6,064,987 to Walker et al. (hereinafter *Walker*). As indicated above, a combination of *Conklin* and *Gallagher* do not teach or suggest Claim 21, particularly as amended. *Walker* does not remedy these deficiencies. *Walker* does not involve the preparation of a contract, and when combined with *Conklin* and *Gallagher*, fails to collectively teach or suggest at least a trusted server that prepares a contract between a buyer and a merchant system, where the prepared contract is sent from the trusted server to the buyer for acceptance, where an accepted contract is sent from the trusted server to the merchant system, and where the merchant system initiates a transaction based upon

the accepted contract received from the trusted server. For at least these reasons, the combination fails to render obvious independent Claim 21, from which Claims 53-59 are dependent. If an independent claim is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious, and therefore Claims 53-59 are not rendered obvious by the combination of *Conklin*, *Gallagher* and *Walker*. The Applicant also respectfully submits that the proffered motivation does not rise to the level of clear and particular evidence of motivation to combine such references. The motivation identified in the Office Action indicates that one of ordinary skill in the art would be motivated to combine all of *Conklin*, *Gallagher* and *Walker* to provide "faster means for data transmission," or to provide an "effective means for canceling transactions." It is respectfully submitted that these statements represent general, descriptive phrases that do not provide the clear, particular, and *actual* evidence of a suggestion or motivation to combine these prior art references. For at least this additional reason, it is respectfully submitted that Claims 53-59 are not rendered obvious by the cited prior art.

Authorization is given to charge Deposit Account No. 50-3581 (NOKV.008PA) any necessary fees for this filing. If the Examiner believes it necessary or helpful, the undersigned attorney of record invites the Examiner to contact him at to discuss any issues related to this case.

Respectfully submitted,  
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